

EXHIBIT "D"

MAY 29 1999 3:07AM



NO. 123 P. 1



Fax Memo

FAX TO: 617-457-6867

DATE: May 28, 1999

TO: Dick Evans
AIG

FROM: Jennie Wu
Lockton Companies

RE: Integrated Health Services, Inc.
Umbrella Policies
Policy Period: 01/01/99-00

718 397-8988

We have reviewed the current policies and have noted the following:

Policy #: BE3574343

- Schedule of underlying policies (see attached). Please correct
- Lester Umbrella policy should not be excluded
- Follow Form Endorsement indicates claims made version. Primary policy is occurrence. Please correct. Follow form Endorsement also indicates coverage does not apply to Professional Health are Liability. This must be revised.
- Amended Insuring agreement and Retro Date endorsement should be deleted.

Policy #: BE3574344 (Lester)

- Policy limit should be 2,000,000 in lieu of 25,000,000
- Schedule of underlying policies (see attached). Please correct
- Primary umbrella policy should not be excluded
- Follow Form Endorsement indicates claims made version. Primary policy is occurrence. Please correct. Follow form Endorsement also indicates coverage does not apply to Professional Health are Liability. This must be revised.
- Lester has always been an occurrence policy. Reference to Claims made and retro dates should be revised.
- Exclusions to delete: Employers Liability; Automobile Liability

Should you have any questions, please call.

LOCKTON COMPANIES
Insurance and Risk Management Specialists
7910 34th Avenue, #5G / Jackson Heights, NY 11372
Phone: (718) 397-8988 / Fax: (718) 397-8987

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MAY 28 1999 02:12

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PAGE. 01

MAY.29.1999 3:07AM

NO.123 P.2

Underlying policies for Policy # BE3574343

1) Type of Coverage: General / Professional Liability

Insurer: Reliance National

Policy #: NGB0151564-00

Policy Period: 01/01/99-0

Aggregate Reinstatement applies to limits

Professional Liability

Each Medical Incident per location: 2,000,000

Annual Aggregate: 4,500,000

General Liability

Aggregate per location: 2,500,000

Products and Completed Operations Limit: 2,500,000

Personal Injury and Advertising Injury Limit: 1,000,000

Each Occurrence: 1,000,000

Fire Damage: 100,000

Employee Benefits Limit (Claims Made)

Limit: 1,000,000

Aggregate: 2,500,000

2) Type of Coverage: Automobile Liability (Texas)

Insurer: Reliance National

Policy #: NKA0134096-02

Policy Period: 01/01/99-00

Combined Single Limit: 1,000,000

3) Type of Coverage: Automobile Liability (All States except Texas)

Insurer: Reliance National

Policy #: NKA013479-02

Policy Period: 01/01/99-00

Combined Single Limit: 1,000,000

4) Type of Coverage: Workers Compensation and Employers Liability

Insurer: Travelers

Policy #: UC2J-UB-100D0667-TIL-99

Policy Period: 01/01/99-00

Bodily Injury Limit per accident: 1,000,000

Bodily Injury Limit per disease: 1,000,000

Bodily Injury Limit per disease each employee: 1,000,000

Print Date: 05/28/99

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PAGE.02

MAY.29.1999 3:07AM

NO.123 P.3

BE 3574343 Cont

5) Type of Coverage: Workers Compensation and Employers Liability

Insurer: Travelers

Policy #: UDRJ-UB-100D0735-TIL-99

Policy Period: 01/01/99-00

Bodily Injury Limit per accident: 1,000,000

Bodily Injury Limit per disease: 1,000,000

Bodily Injury Limit per disease each employee: 1,000,000

6) Type of Coverage: Excess Workers Compensation

Insurer: Travelers

Policy #: UWXJ-UB100DD0759-TIL-99

Policy Period: 01/01/99-00

Limit: 1,000,000

7) Type of Coverage: Texas Occupational Accident & Health

Insurer: United National Insurance Company

Policy #: POA0050504

Policy Period: 01/01/99-00

Limit: 1,000,000

8) Type of Coverage: Texas Excess Employers Liability

Insurer: United National Insurance Company

Policy #: PEL0003059

Policy Period: 01/01/99-00

Limit: 1,000,000

9) Type of Coverage: Umbrella liability for Integrated Health Services of Lester, Inc.)

Insurer: National Union

Policy #: BE3574344

Policy Period: 01/01/99-00

Limit: 2,000,000

Print Date: 05/28/99

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MAY 28 1999 02:12

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PAGE.03

MAY. 29. 1999 3:08AM

NO. 123 P. 4

Underlying policies for Policy # BE3574344 (Lester Umbrella)

1) Type of Coverage: General / Professional Liability

Insurer: Reliance National

Policy #: NGB0151564-00

Policy Period: 01/01/99-0

Aggregate Reinstatement applies to limits

Professional Liability

Each Medical Incident per location: 2,000,000

Annual Aggregate: 4,500,000

General Liability

Aggregate per location: 2,500,000

Products and Completed Operations Limit: 2,500,000

Personal Injury and Advertising Injury Limit: 1,000,000

Each Occurrence: 1,000,000

Fire Damage: 100,000

Employee Benefits Limit (Claims Made)

Limit: 1,000,000

Aggregate: 2,500,000

2) Type of Coverage: Automobile Liability (Texas)

Insurer: Reliance National

Policy #: NKA0134096-02

Policy Period: 01/01/99-00

Combined Single Limit: 1,000,000

3) Type of Coverage: Automobile Liability (All States except Texas)

Insurer: Reliance National

Policy #: NKA013479-02

Policy Period: 01/01/99-00

Combined Single Limit: 1,000,000

4) Type of Coverage: Workers Compensation and Employers Liability

Insurer: Travelers

Policy #: UC2J-UB-100D0667-TIL-99

Policy Period: 01/01/99-00

Bodily Injury Limit per accident: 1,000,000

Bodily Injury Limit per disease: 1,000,000

Bodily Injury Limit per disease each employee: 1,000,000

Print Date: 05/28/99

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MAY 28 1999 02:13

PAGE.04

MAY.29.1999 3:08AM

NO.123 P.5

BE3574344 Cont

5) Type of Coverage: Workers Compensation and Employers Liability

Insurer: Travelers

Policy #: UDRJ-UB-100D0735-TIL-99

Policy Period: 01/01/99-00

Bodily Injury Limit per accident: 1,000,000

Bodily Injury Limit per disease: 1,000,000

Bodily Injury Limit per disease each employee: 1,000,000

6) Type of Coverage: Excess Workers Compensation

Insurer: Travelers

Policy #: UWXJ-UB100DD0759-TIL-99

Policy Period: 01/01/99-00

Limit: 1,000,000

7) Type of Coverage: Texas Occupational Accident & Health

Insurer: United National Insurance Company

Policy #: POA0050504

Policy Period: 01/01/99-00

Limit: 1,000,000

8) Type of Coverage: Texas Excess Employers Liability

Insurer: United National Insurance Company

Policy #: PEL0003059

Policy Period: 01/01/99-00

Limit: 1,000,000

Print Date: 05/28/99

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MAY 28 1999 12:13

PAGE.05